



SENT TO COUNCIL

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by Council Liaison's Office

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: NATIONAL HOUSING TRUST
FUND

DATE: October 3, 2002

Approved

Date

10.7.02

INFORMATION

BACKGROUND

At the September 18, 2002 meeting of the Rules Committee, Councilmember Cindy Chavez requested information regarding the National Housing Trust Fund legislation. The following informational memorandum serves to briefly describe the legislation and status of these measures.

Through the efforts of an organization called the "National Housing Trust Fund Campaign," housing advocates have sought legislation to establish a National Housing Trust Fund that would build and preserve 1.5 million units of rental housing for the lowest income families over the next 10 years. The Campaign seeks to identify sources of funding through excess Federal Housing Administration (FHA) or Ginnie Mae programs for the Housing Trust Fund and is sponsoring federal legislation to meet these goals.

LEGISLATION

Last year, legislation was introduced in Congress to create this type of National Housing Trust Fund. HR 2349 (Rep. Sanders) and S 1248 (Sen. Kerry) both seek to establish a National Affordable Housing Trust Fund in the Treasury of the United States to provide for the development, rehabilitation, and preservation of decent, safe, and affordable housing for low-income families. While neither of these bills have managed to progress, both have garnered a considerable amount of support from housing advocates.

Recently, discussions have been taking place in Congress about adjoining National Housing Trust Fund language into the "Housing Affordability for America Act" (HR 3995). The House Subcommittee on Housing and Community Opportunity passed HR 3995 out of Committee earlier this year. Currently, the bill includes a reauthorization of the HOME program and makes a number of changes to existing housing programs. Initially, that Subcommittee voted to include language on the National Affordable Housing Trust Fund (HR 2349). However, this was voted

on with only a few Republicans in attendance and the Subcommittee later reconvened and decided against adding the HR 2349, Housing Trust Fund provisions.

Representative Bernie Sanders (I-VT) may offer an amendment that would create a National Housing Trust Fund when HR 3995 comes to the House floor, but whether HR 3995 will come to floor at all remains unknown. Despite reports that Congress would bring HR 3995 up on the floor after its August recess, House leadership and the Secretary of the U.S. Department of Housing and Urban Development have expressed concerns about the Trust Fund amendment, and it is still unclear whether HR 3995 will be brought forward for a vote at all.

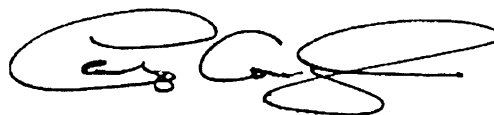
SUPPORT

To date, the Federal Housing Trust Fund legislation has the co-sponsorship of most of the Bay Area Congressional delegation and has gained considerable support from many Bay Area agencies and organizations. A list of these supporters is attached. Additionally, last year, Mayor Ron Gonzales wrote a letter of support for HR 2349 to our Congressional Delegation.

While these measures could greatly benefit the production of affordable housing in California and the nation, the Housing Department cautions that the City of San José and other high-cost regions may be at a disadvantage for participating and benefiting from the proposed program and funding. Jurisdictions with lower housing prices and production costs may benefit more based on formula allocation and income qualification limits established in the legislation. However, overall it is still in the City's best interest to support the production and funding of affordable housing. Therefore, the Housing Department is supportive of establishing a National Housing Trust Fund and in continuing to work with state and federal agencies and organizations towards a more equitable distribution of dollars to high-cost areas in the future.

COORDINATION

Developed in coordination with Intergovernmental Relations.



LESLYE CORSIGLIA
Director of Housing



***Supporters of the National Housing Trust Fund Legislation
(HR 2349/S 1248)***

City of San Francisco, the San Francisco County Board of Supervisors, Santa Clara County Board of Supervisors, Advocates for Affordable Housing, Affordable Housing Network of Santa Clara County, African Community Resource Center, California Affordable Housing Coalition for Persons with Developmental Disabilities, California Affordable Housing Law Project, California Coalition for Rural Housing, California Housing Law Project, California Housing Partnership Corporation, City of Oakland Community & Economic Development, Community Build, Inc., Community Economics, Inc., Community Homeless Alliance Ministry, Community Housing Improvement Program, Community Housing Opportunities Corporation, Community Resource Associates, Inc., Congress of California Seniors, Housing Authority of the City of Santa Barbara, Housing Authority of the County of San Joaquin, Housing California 2000, Nehemiah Corporation of California, Neighborhood Housing Services Silicon Valley, Non-Profit Housing Association of Northern California, Sacramento Housing & Redevelopment Agency, Sacramento Housing Alliance, San Jose ACORN, Santa Clara County Collaborative on Affordable Housing, Santa Clara County Social Services Agency, and the Silicon Valley Manufacturing Group.